

*The next should be so read before this
as they are put wrong*

Vol. 34, No. 4.---Price Two Pence.

COBBETT'S WEEKLY POLITICAL REGISTER.

[99] LONDON, SATURDAY, SEPT. 12, 1818.

[90]

**THE RIGHT HONOURABLE GEORGE
TIERNEY.**

*On his Opposition to the Bank Pro-
tecting Act.*

*North Hampstead, Long Island,
1st. July, 1818.*

SIR,

I address you upon the subject of the debate on the thing called the *Bank-Restriction* act, passed in May last, and in which debate you took a part. I make use of your name upon this occasion for two reasons; *first*, that the Letter, which I am writing, may, without much of circumspection, have an appellation to distinguish it from other of my Letters on the same subject; and, *second*, that I may directly, and, as it were foot-to-foot, place myself, as to some of your opinions, in opposition to you, whom I regard as being by far the most able man now in what is called the House of Commons. The question, upon which we are at issue, involves considerations of most tremendous importance; and the decision of it must take place at no very distant day. Therefore, though my opinions respecting it stand already, over and over again, recorded in terms the most positive as to meaning and the most distinct as to expression, I am anxious, from a sense of duty towards my country as well as

from a love of honest fame, to put them once more into print. If events should prove that I am in error, as to this weighty matter, justice towards those whom I may have misled, demands that I put into their hands the power of detection; and, if events should prove that I am correct, justice towards myself demands that I put beyond all dispute my claim to that public confidence, which may serve as some compensation for all the persecution, which I have suffered, chiefly for having promulgated these very opinions, which I am now about to re-assert.

During the far greater part of my political life, I have entertained, and have, with very little intermission, been endeavouring to produce in the minds of others, a hatred and a horror of the funding and paper-money system. In referring to its origin, I found it bottomed in a settled design to sap the foundations of the constitution of England; and, in tracing its progress, I found this detestable design had, by the intended means, and in the intended manner, been but too fully accomplished. But, it is not of the silent, the sapping, the corrupting effects of this bishop-begotten and hell-born system that I am now about to speak: nor is it of the misery, the

starvation, the stripes, and the deadly wounds, which, with the aid of a standing army, it is, at this time, inflicting on the nation. It is of the effects which it has yet in reserve; and with regard to which effects, I perceive, that you hold opinions opposite to mine.

I will not waste my time, as you thought proper to waste yours, in an exposure of the flimsy, the shuffling, the false, the ridiculous pretexts, which the Chancellor of the Exchequer put forward as the grounds of his proposition for continuing the protecting act in force for another year. It can never be worth the ink that one writes with to be listened to by those, who could, for one single moment, listen to those pretexts as something worthy of attention. Your observations on the *future effects* of the system, and your opinions as to the *practicability* and the *means* of preventing those effects: these constitute the only parts of the debate that merit the notice of any rational being.

It has always been an opinion, openly avowed by me, that the funding-system would be marked in its last stage by a great national change; and, more recently, since it has been upheld as co-partner of the Borough-system, and since such and so many acts of tyranny have been committed in the upholding of these systems, I have been of opinion, as I yet am, that the end of the funding will be the end of its atrocious associate; that they will die in each others arms amidst the shouting of the people; and

this we may, I take it, call a great *convulsion*.

You are, I see, Sir, also of opinion, that the thing will end in a great *convulsion*. "He, therefore, exhorted the House to show its *earnestness* upon this occasion. If it did not do so, he feared that the consequences would be *dreadful*; that a terrible *convulsion* would take place. This was, probably, the last struggle to guard against that *melancholy* event, and let each man, who felt for the country, have the satisfaction of thinking, that, whatever be the result, he had done *his duty*."

These are the words of the close of your reply. Sufficiently impressive: sufficiently awful the warning. But, of *what use* was the warning? What was it intended to produce? Much able statement in your speech; a great deal of well pointed reasoning. But, for *what*? To what end?

To put the matter into plain propositions, it stood thus: that the House ought to be in *earnest*; that, if they were not, the paper-money would produce dreadful consequences and a great *convulsion*; and that, in order to shew their *earnestness*, they ought to appoint a committee to *inquire*, before they passed the bill.

Thus far I see my way clearly. It is plain, and I cannot err. A great mischief, a dreadful consequence, a *convulsion*, may, in some cases, be prevented by stopping to *inquire* before we proceed to action. But, was this one of these cases? Could any inquiry have tended to prevent

that blowing-up, of which you expressed your dread? Was it possible; I will not say, *probable*; was it possible; was it within the compass of human skill or force, to make provision against that "*melancholy event*," which you anticipated with so much apparent sincerity and sorrow? You seem to have been of opinion, that it was; I am of opinion that it was not.

In order to enter fairly upon the discussion of this question, to wit, whether it was, or was not, possible to obtain, by enquiry, any means of preventing a final blowing-up of the paper-system, I must look back at what you say, in your own speech, as to the topics and objects of enquiry. These I find stated in the following words: "There remained little for him to say, except on the subject of the mischiefs which some persons apprehend from the resumption of cash payments by the Bank of England. To a certain extent he was willing to admit, that these apprehensions might, perhaps, be well founded. He did not believe, however, that any violent shock could occur. He by no means supposed that the Bank would try to secure the continuance of the restriction, by making the resumption of cash payments as difficult and as dangerous as possible; and he was convinced, that if the Bank sincerely applied themselves gradually and gently to prepare for that resumption, although, undoubtedly a great diminution must take place in the existing circulation, yet, that it would not be productive of any of

those fatal consequences which it was the fashion to apprehend from it. If there were no other grounds for going into an inquiry, the expediency of trying if a Committee of that House could not chalk out some course by which the Bank of England might resume their payments in cash without endangering the tranquillity and welfare of the community, would be one amply sufficient [hear, hear, hear!]. Indeed, were we asked how such a Committee as that for the appointment of which he was about to move, could best employ themselves, he would say, in endeavouring to devise the means by which the cash payments by the Bank might be gradually brought about, and a limit put to the issue of paper, so as to facilitate those objects without risking any serious shock. This, he believed, might be done; but he also believed that it could be done only by a Committee composed of intelligent individuals, who would calmly and dispassionately enter into the investigation of the subject, and collect all possible information upon it from those who were the most competent to the task of affording such information."

This, then, was to be the object of inquiry: the Committee were to "endeavour to devise the means, by which the cash-payments by the Bank might be gradually brought about, and a limit put to the issue of paper, so as to facilitate those objects without risking any serious shock." Your opinion as to the

probability of the Committee's *effecting* this object are in the affirmative. You admit, that, to a certain extent, there may be *mischiefs* attending the resuming of cash payments; but, you do not believe that any *violent shock* would occur. You believe, that, if the Bank were to apply themselves sincerely to prepare *gradually* and *gently* for the resumption, although a great diminution in the circulation would take place, yet that no *fatal consequences* would ensue.

This was your *opinion*, Sir; and, no wonder that it was *cheered* by the Borough-men, by whom you were surrounded. This opinion came, too, so pat just after my dismal predictions and doctrines, contained in that Petition, which Lord FOLKESTONE (for what reasons his Lordship best knows) had refused to present, but which had not, for that refusal, been the less read. This opinion had an effect upon the Borough men like that of ether or laudanum upon a losing gamester; or, like that of Loader's dram upon Old Mother Cole. And so you "went out of the House amidst the loudest cheers!" "Thank you kindly, Mr. Loader! Bless you, dear Mr. Loader!"

I must be insincere myself, or I must treat you with sincerity; and yet if I do, I am afraid I must offend you; for, it is quite impossible for me to consider you as having been sincere upon this occasion, without considering you as extremely shallow with regard to a matter, which you ought to have well understood, before

you attempted to speak upon it in a public assembly; and particularly before you took upon you to be a leader in the discussion. As being the least offensive of the two, however, I will suppose you to have been sincere; and, upon that supposition, will proceed to give my reasons in opposition to this your consoling and comforting opinion; which opinion is, that means can be devised for enabling the Bank to pay in coin *without* producing any serious *mischief*, any *fatal consequences*, any *violent shock*.

As to *mischief* or *fatal consequences*, I may think so too. But, then, what you may think *mischief* and *fatal consequences*, I may regard as *most happy events*. To get rid of all misunderstanding here, I shall, as I fairly may, suppose you to mean, that the payment may take place *without a blowing up of the paper, and the seat-selling systems*, and that paper-money and the Debt and the dividends and army and all can go on as they now go on.

If, Sir, as a quieter to those persons, who, you say, *apprehend mischiefs* from the resumption of cash payments; and, if, in answer to the *fashionable* opinions about *fatal consequences* to be apprehended from the same cause; if you, as might have been expected, had, in answer to these apprehensions, offered some *reasons*, instead of a naked opinion in the negative, you would have saved me a great deal of trouble. However, your opinion being wholly unsupported by any reasons does not prevent me from

stating reasons in support of my opinion; and, if my reasons be good, your opinion must be erroneous.

Doubtless a Committee of the House of Commons, as it is called, would consist of some surprisingly ingenious gentlemen; but, though they would have been able to draw up, in a short time, a Green-Bag Report, there are certain things which they could not have done unless the House could have communicated to them a *real*, instead of an hyperbolic *omnipotence*. And, amongst the things which a Committee could not have done, one would have been, the preventing of the holders of notes from going to get cash for them, as soon as the Bank should begin to pay: yet, unless they could have done this, it is pretty clear to me, that the payment would not have gone on for two days.

That the Bank cannot venture to pay now is certain. That fact must be taken as *admitted*; because, if it could venture to pay now, the bill would not have been passed; no, nor asked for. And, why cannot it pay now? For, the same reason that many other people cannot pay their bills; namely, because it has not money enough to pay with.

There are two ways of enabling the Bank to pay: one, by *putting gold into its coffers*, and the other, by *reducing the quantity of paper now afloat*. As to the first, *how* is the Bank to get more gold into its coffers than it now has in those coffers, which, I believe, contain very little? I ask you, Sir? What scheme could your

committee have devised to effect this purpose? Suppose I have a parcel of notes out, payable on demand. I wish to take them up; I wish to be able to pay them. I have not money enough to take them up; what am I to do? Borrow some money. But, I must give *more notes* for the money I borrow, or must sell my goods, or pawn them. The Bank has nothing to sell or to pawn; and, therefore, it must *buy gold with new issue of notes*. Now, Sir, if a man who had a hundred pound out in notes, were to buy a hundred pound in gold with another hundred pound in notes, and then pay off the first hundred with the gold, and if all his notes were payable on demand to bearer, would he not be sent to a mad-house without any further proof of his confirmed insanity?

A member of parliament, whom I once (in the Bullion Committee time) endeavoured to prevail upon to go to the House and blow all the absurdities into air, asked me, why goods might not be *sent abroad* and sold for gold, and the gold brought home to the Bank! My answer was, that there was no other objection to this scheme, than, that the owners of the goods would, in all probability, want to keep for their own use the gold that the goods would be sold for. His next question was, why the government could not get gold from *South America*. To be sure, the *mines* were the places to look towards. But, then, it unluckily happened, that the owners of the gold in South America would demand *payment* for the gold; and, what was

more, so little bowels would they have for SAMUEL THORNTON and Company, that they would take care and have the *goods* before they would let the gold go; and, then, if the Bank sent the goods, they must issue paper to pay for the goods. By the help of a fleet and an army, the Bank might, indeed, rob the South American Mine-owners to a trifling extent; or, the Bank-men might rob the houses and travellers at home, though, perhaps, they would find little except their own paper. This, probably, the Bank-men would have some scruple to do, unless assured of an *indemnity* bill before hand; though they have done, indeed, a great deal worse things.

Their case, then, as far as relates to augmenting the relative proportion of their gold, is desperate; for this last is the only *possible* way, in which they can effect that object. How should there be any other, except, to the assessors of MIDAS, the Boroughmongers and Bank-men could add his gold-creating touch? They have a parcel of paper, snips of paper, of *no value*, which they want to convert into pieces of precious metal. A few years ago there was a Norfolk Farmer, who sold five hundred golden guineas to the Guard of the Norwich Coach, for twenty-seven shillings each. The dealer brought down the money the next trip, and asked for the guineas. The farmer had them in London, and up he went with the guard in order to deliver them. He had them quite safe in London, for they were in the Bank, where he had lodged them

three years before for the sake of *secure keeping*! He went to the Bank, but it was *restrained* from letting him have them out! What a swindle! And is it possible for it to be believed, that these people are never to be called to account! Are these the men, who sit in consultation to determine, *who shall be hanged, and who shall not be hanged?*

There are very few now-a-days, who are so foolish as this farmer was. When that prime tool of the Boroughmongers, Gibbs, was calling for his fellow-labourers to make me a "*blighted example*," he did not, I dare say, imagine, that he was doing that which would produce a *new era*, a totally new era, in political knowledge. "*Paper against Gold*" was amongst the fruits of that act of tyranny; and, Sir, whatever the stupid herd, to whom you addressed yourself, may think, the *people* of England, the oppressed people of England, know all about the paper-money system, and about which, before the *Hall-Set* thought they had murdered me, the people in general knew no more than they knew of the feats of witches and wizzards. They did not know what a fund-holder, a loan-jobber, or a director was. They knew nothing of the manner of making funds and debts; and, they, if possible, knew less than nothing about the manner in which *they themselves* were affected by this mystery of iniquity. Little did they, before this period, imagine that this system, of *funding* took from them four pence, at least,

in the price of every pot of beer: and, that it was in fact, this system, first proposed by BISHOP BURNET, which had, by degrees, stripped the artizan and the labourer of all these conveniences and those means of good-living, which were enjoyed by their grand-fathers. The mass of the people knew, in short, nothing about the matter. But Gibbs and his set had tied me to the stake; and their malice and cruelty and insolence were destined to be the means of producing a new era in political knowledge. "*Paper against Gold*" will, long and long after the bubble shall have bursted, and overwhelmed all those who now by various means, oppress the nation, live to bear testimony to my fortitude and perseverance and to the infamy of my persecutors.

But, the good of the thing is, that, while the people read this little book, the Borough Usurpers and their tools do not read it. So that these latter, to their nature and habit-engendered stupidity, add, in this case, a refusal to use the ordinary means of acquiring knowledge. The Blanketteers, who cannot have less than about twenty thousand copies of this little book amongst them, and who have seen all its principles established and its predictions verified, to the very letter, by events; the Blanketteers, Sir, if they happened to read the debate, on which I am commenting, would smile with scorn at those *cheers*, with which the ignorant crew honoured your comforting opinion. The Blanketteers would laugh at the idea of the Bank adding to its stock of Gold; they would laugh

at the idea of the Bank "*sending out gold and re-purchasing it*," as mentioned in another part of your speech; for, their little book has, long and long ago, taught them how futile, how childish, how contemptible, all such notions are.

I have said, that it is *impossible*, absolutely impossible, for the Bank to add to its relative stock of gold, except by direct robbery; that is to say, by a robbery committed in South America (not easy), or a robbery committed on the highway and in the houses at home: a dash at the gold baubles and silver spoons. I can see, I think, what is running in your head upon this subject. You seem to imagine, that, if the Bank were to issue a parcel of notes and to purchase gold with them, though they would thereby add to the *positive* quantity of notes; they would *diminish* the *relative* quantity; for that, the new notes would lodge gold equal to themselves in amount, which the old notes have not done. You will say, that, if a man has a hundred one pound notes out, and has only one guinea in his coffers, and then put out another hundred notes and buy guineas with them, and put the guineas in his coffers, he will, by this operation, have added to his relative quantity of gold.

This is all very true, only you are supposing what it is impossible to effect. But, let us see how an attempt in this way would work in practice. Suppose the Bank, or the Boroughty rants (for the paper is theirs) to have 30 millions of notes in circulation, and to have half a million of gold in their

coffers. Well; they want to add to their gold; *why?* Because they want to be able to pay in gold. They, therefore, buy ten millions of gold; but, they do it with an additional issue of notes; and, mind, this issue must exceed ten millions; because, the paper must be *below par*, else the Bank could now pay in gold, without any purchase of gold. Very well, then; the Bank has now ten and a half millions of gold in its coffers, and much more than forty millions of paper afloat.

You are aware, I suppose, that this new issue of paper would instantly send up prices to an enormous height; you are, I suppose, aware, that it would sink the value of the paper in the same proportion: if you are not aware of these things, the *Blanketteers* are. But, having this gold in its coffers, the Bank will then begin to pay. Indeed! If it does, I can assure it, that I, who hold twenty-one of its depreciated pound notes, will instantly go and get twenty of its guineas for them. Thus will every other noteholder act, to be sure: so that, in about two days all the gold will be drained out, and the quantity of paper left in circulation will be much greater than before the remedy was applied.

A worthy friend of mine, and one of the most pleasant, hearty, and able men I ever knew, the late Mr. BAVERTOCK of Alton, used to say of the *Unitarians*, 'I want to know what they would be at: they will believe, and will not believe: they will have a creed, and yet they will be infidels.' Your financial faith, Sir, appears to me to be of this description. You think this paper-money a very dangerous thing; you think big with fatal consequences, shocks and convulsions; and you think it very easy, perfectly easy, for the Bank to pay out its gold and then buy it back again, only by experiencing some loss. If this be true, Sir, what ground is there for alarm? If this be true, the borough-men may snore away the whole twenty-four, instead of twenty, hours of their time.

That the Bank is quite able to pay its gold out, and that it might effect the thing in a very short space of time, nobody, I believe, will dispute; but, as to getting it back again, that would be a very different matter: for, as we have clearly seen, it must be effected by the means of new issues of paper; and, therefore, supposing the paying out not to cause a total blow-up at once, the Bank would, when the operation was over, only be just where it was before the operation began.

The "some loss" it is, however, that puzzles me the most. I must quote your words here; for, as I can hardly believe my own eyes, my friends, the *Blanketteers*, may well doubt of their correctness upon this occasion. "Let the Bank of England send out large quantities of gold from their coffers. That would alter the rate of exchange. The Bank would have no difficulty in purchasing gold to replenish their coffers, though certainly at some loss. But the question was which was best—that Great Britain should lose the character for good faith which she had hitherto maintained, or that the Bank should be obliged to disgorge a part of the enormous profits which it had made from the country at large [hear, hear, hear]? Was it more desirable that the public credit should be preserved, or that the Bank, having accumulated millions upon millions, without contributing in the smallest degree to the national expenditure, should be enabled to persevere in that system [hear, hear, hear!]?"

Yes, yes! The Borough-men may cry "hear, hear, hear!" But, Sir, the *Blanketteers* know very well that all this affected reproach on the Bank is mere words, and that the Bank is only one of the tools of the Borough-men! Be you assured, that all of the *Blanketteer* order, are quite proof against every attempt to impose on them by affected reproaches against the Bank.

Aye, Sir, "Let the Bank read on

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large quantities of gold from their coffers." They must get these quantities in first, to be sure; but, never mind that; let us, for argument's sake, suppose the large quantities to be there. Well; now the gold is sent out. How is the Old Lady to get it back? She is, it seems, to purchase it back. With what? With what? With what, I say! Answer me, or I die! With what is she to purchase it back? Why, with a new batch of notes, to be sure; unless she go and plunder the gold and silversmiths' shops and rifle the butlers' pantries. In what other way is the old hag to purchase it back? A witch, indeed, she is, as far as tormenting and murdering goes; but, as to the turning of paper into gold, she is as harmless as the innocent in the cradle. It is all nonsense; it is all absurdity indescribable; for, what would be done at home, while the gold was travelling to and from the continent. But, never mind this: let us swallow this: she would, by the operation, supposing it to be as you say, gain nothing in the way of ability to pay.

But the "loss;" the "some loss," that she would experience: what can that mean, I wonder? Pray, Sir, what has the old Lady to lose? Do you happen to know the precise, or probable, place of deposit of any of her valuables? If you do, it would be but friendly dealing to apprise the Blanketteers of it; for they will, one of these days, be glad to possess information upon the subject. Do you allude to her shop, or to the houses and lands and chattels of the Directors and others of her Company? These she might, indeed, lose, and, in the end, she, probably will; but they would amount to little. Do you allude to the several millions of what is called Stock, or Funds, or Per Cents. of which she is the owner? Come, here we have, then, the Great Book before us, and here we find her written down for, suppose, twenty millions. Now, then, what is your notion? That she can get people to come and purchase part of this stock with gold

at a loss to her; that is to say, below the current paper-price? Why, Sir, the very thought of such an operation would send down her paper fifty to the hundred; and, an attempt to put it in practice would blow-up the whole thing.

No: you mean none of these. Your meaning is, that she must give more for the gold in paper than the nominal value of the gold, if in coin; and a higher price than the real money-price, if in bullion: and this would be neither more nor less than making, upon the whole of the operation, an addition, relative as well as positive, to the quantity of her paper.

There remains, then, as I said before, no way, but that of direct robbery and plunder, to add to the relative quantity of her gold by the bringing in of gold. I have, indeed, overlooked one way of effecting this grand purpose, and which way I must notice before I proceed to the second part of my subject. It is this: the Borough-mongers might give up their estates, equipages, and other moveables. These, which have chiefly been derived from public plunder, would bring gold quickly. This gold might go to the Bank, and it would, as Mr. CATLEY truly said, enable the Old Hag to face her creditors, pay off her notes, and to pass once more for an honest dame. Whether these conscientious Borough-men, who cheered you, and who are so anxious to see guineas return, would voluntarily acquiesce in this measure, I leave for wiser men to decide; but, that this (with the exception of the robbery and burglary plan) is the only means by which gold can be brought into the Bank in such a way as to augment the relative proportion of gold now in the coffers of that prime instrument of the Borough-tyranny, must, I think, now be clear as day-light to every one, who is not wilfully and obstinately blind.

We now come, Sir, to the other mode of augmenting the relative quantity of the cash of the Bank-men; name'y; the reducing of the quantity

of their paper. It is your opinion that this can be done in such a degree as to enable the Bank to resume cash-payments, and that, too, without producing any shock; and that, by this means, the present system of sway, in England may be carried on for ages yet to come.

In combatting this opinion I shall hardly be a cool, because I shall be a deeply interested, reasoner; for, if I could believe your opinion to be sound, I should be the most mortified and most miserable of human beings. It is a directly opposite opinion, firmly settled in my mind, that forms the sole foundation of my hope. Were it not for this hope, I should droop down into a state of despondency, and, without another effort, give up my unhappy country to the base, black-hearted, and bloody tyrants, by whom she is now robbed, scourged and insulted.

But, whatever my wishes may be, they cannot impair my reasoning. I know well, that, according to the creed of your hearers, truth is not truth, if it drop from my pen: nor is this of any importance in my eyes: with the rest of mankind the case is different. They will reject, or adopt, my opinions, as these are unsupported, or supported, by undoubted fact and conclusive argument. I do not, like you, Sir, hold forth naked opinions to be adopted and acted upon by others: I tender not any thing of mine as the grounds of their belief: I tender reasoning, which is the common property of all mankind.

You say, Sir, that you think, that "means may be found, by which "cash-payments may be *gradually* "and *gently* brought about, and a "limit put to the issue of paper. *without risking any serious shock.*" I say, that such means cannot be found.

You speak, indeed, with some diffidence; and, in a former sentence, you "are willing to admit, that mischief, "to a certain extent, might arise." This is an altered tone. The bullion committee did not talk in this way. They, and especially your wise pa-

tron, Lord GRENVILLE, boldly said, that the Bank ought to be compelled to pay on a day to be fixed, as the *only means* of restoring the currency of the country to a *healthy* state. A man must be a Lord to utter a foppish phrase like this without being hooted.

But, to get rid of all loop-holes, I admit your qualifications to mean, that the greatest of all possible precautions must be taken, and that, even with all these precautions, some mischiefs, as you call them, *something of a shock*, must and will take place. Even this view, which is the most favourable that you, an orator of the Borough-men, can take of the matter, would be quite sufficient to alarm any one but a besotted English Fundholder.

I, however, set at nought all your qualifications; and, I say, that the thing must go on as it now is, that the Bank *never* can pay, or, that the whole system, Borough-men and all, must be blown up. This is my opinion; and I now proceed to state the reasons, upon which that opinion is founded.

The use of the words "*gradually*" and "*gently*" make a great drawl in the expression of your opinion. They discover great diffidence, great unfixedness, and, indeed, great confusion, in your mind. You advance like one of us Englishmen here, when, in the burning hot weather, we attempt to imitate the natives in going without shoes. You had been set up by your party to put to shame the poor stick that had been appointed to bring forward the bill. You were compelled to oppose him, and yet you had too much regard for your own reputation to say point-blank, that the Bank could be enabled to pay. Hence all your qualifications and reservations. But, you do not seem to have perceived, that these, in certain cases, lead to, instead of keeping clear of, embarrassment; and, that, instead of saving a general position, they destroy it altogether.

Precisely thus has it happened here; and, if I had a mind to make

short work of your opinion, I might stop at showing the complete absurdity of this notion of a *gradual* and *gentle* resumption of cash-payments; but from this temptation to laziness I abstain, and will, therefore, reserve the folly of this notion for exposure in a subsequent part of my letter.

To enable the Bank to pay in gold on demand the *Old Lady* must reduce the quantity of the floating paper. Indeed you say, that a great diminution must take place in the currency of the country. Now, it is uncontestedly true, that such diminution must create a great lowering of prices; and, it is not less true, that this lowering of prices must be far greater in proportion than the diminution in the quantity of paper-money. Because, the first effect of the lessening of the quantity of money afloat, is, to straighten and throw into discredit many persons who got along pretty well amidst the abundance of money. The operations of this class, therefore, do not remain in *degree*, but are put an end to altogether. When money is plenty, it moves quicker than when it is scarce. A horse will be sold and resold ten times amidst abundance of money, and perhaps, not twice when money is scarce; and, a shilling which passes twenty one times a day from hand to hand, is just as efficient in its effect upon prices, on a national scale, as a guinea that changes possessor but once a day.

What, then, are the unavoidable consequences of a great diminution in the quantity of currency afloat, and of this lowering of prices? The ruin and misery of a great part of the people, and the actual starvation of many. These are the inevitable consequences of a lowering of prices by the means of a change in the value of money; and, it is clearly seen, that such change must be effected by a diminution of its quantity.

Suppose me to be a haberdasher. I have my shop full of goods, as many as I shall sell in a year. I lay in my stock to day. It amounts to

three thousand pounds, two of which I have credit for. I deal in gloves only, and they are laid in by me at 4 shillings a pair. I begin selling; and 6 shillings a pair give me a good profit. But, at the end of a month, the Bank, the Boroughmonger's Bank, goes to work to prepare for cash-payments. It draws in a great deal of its paper. Money becomes scarce. Prices fall. I can sell my gloves at only two shillings a pair, and I am done for at a blow. Thus it must be with the farmer; the manufacturer, and with every person engaged in trade, no matter of what sort.

A man borrows a thousand pounds, to-day, upon a house worth two thousand. Next month the Bank draws in its paper, and the house is not worth one thousand. He loses his house for ever.

Another dies to-day, leaves an estate to his son, worth three thousand pounds, with legacies to pay out of it to the amount of fifteen hundred. Before a sale of the estate takes place, the drawings in of the Bank have lowered the worth of the estate to one thousand. The legacies can be paid only in part, and the son is a beggar.

Wheat is 15 shillings a bushel, and a man, calculating upon that price, rents a farm at a hundred a year. The drawings-in at the Bank brings wheat down to 5 shillings a bushel. The man cannot pay his rent, his stock is seized and sold. He goes to jail, and his family to the poor-house.

In the meanwhile there is no money to pay the journeymen and labourers. Employment cannot be had; and starvation follows. However, men do not, in very great numbers, starve to death, without an effort to save life. Hence robberies and thefts; and, to prevent detection, come murders. This is the natural, this is the inevitable progress.

These would be the consequences if there were no taxes at all. What, then, must the consequences be, in a country where the taxes amount to

double the sum that the rent of all the houses, lands, mines and canals amount to? And, how is the army and how is the interest of the Borough-debt to be paid, if the wheat fall to 5 shillings a bushel? You know very well, Sir, that they are now paid partly by *loans*, in one shape or another. You know, that there is not so much raised as is wanted, *by fifteen millions a year*. You know, that loans to this extent are annually made. You know, that these loans go to augment the Borough-debt and the dividends, and that this requires an augmentation of the paper-money. How, then, are the dividends and the army to be paid, if prices be lowered to the standard of wheat at 5 shillings a bushel? If money enough cannot be raised now; if the Borough-debt keeps on increasing *now*, what is it to do when this lowering of prices shall take place? And you complain of the amount of the debt; blame the poor stick for not making an effort to reduce it; and, yet you would add to it by an attempt to make the Bank pay in coin! You would reduce it by *doubling its real amount*! Yes, by giving the fund-holder three bushels of wheat, where you now give him but one! The Borough-tyrants are sadly pestered! Sadly bemired!

As I am not for arguing upon any *disputed* fact, I do not think it necessary to bind myself down to wheat at *five* shillings a bushel. I am decidedly of opinion, that the resumption of cash payments would bring it down to 3 shillings a bushel, and then we should come to one of the sides of the favourite alternative of Mr. HUNT, who has, for ten years past, been giving as a toast, "Wheat at *three* shillings or at *thirty* shillings, the bushel." This is much in little. It is not yet *treason*; but, it is saying all in few words. It is a pithy prayer for the destruction of the Borough-tyranny. Either side of the alternative would do the job; but, I am always for the *three* shilling side;

for then the howl begins with the yeomanry cavalry crew. The Bank, by its mere *attempt to prepare* for cash-payments brought down the wheat to *seven* or *eight* shillings a bushel. It brought it down to this price from 15 shillings a bushel; and, why are we to believe, that it would not have come down to 3 if cash-payments had really been begun?

The miseries of 1816 and 1817 are hardly forgotten yet; and the acts of the Borough-tyrants *never* will be. The thing saved itself then partly by violence; but, it could not have done that long; and, therefore, *out it tumbled its paper again*. Without *this*, dungeons and gags and gallowses and bayonets would have been, in a very short time, of no avail. It is not the return of *prosperity* that you now behold; but the return of *paper*.

When the misery was at its height, the Boroughmen put out their new gold and silver coin. The fools thought they were getting back to the *chink* of coin. But, compelled to slaughter a starving people, or to bring back the paper, they yielded, and brought the paper back; and instantly flew away all their gold and silver; and CASTLEREAGH, during the debate, says, *that the new Sovereigns were all melted down and sent out of the country*! The Borough-tyrants have, in order to obtain a *respite*, put forth the paper again, and, *you*, their orator, would have them, in order to *avoid a convulsion*, draw it in again!

In "*Paper against Gold*," Letter XXV. I had said, that, if the Bank attempted to draw in its paper, universal ruin would ensue. Pray, Sir, read that Letter. Never mind its *cheapness*. The Blanketteers have all read it. Why should not you be as wise as they? If you had read it, before you had made your speech, you would, I think, not have said what you did. I there *proved*, that universal ruin *must* be the effect of such an attempt. The attempt was made, and the ruin came!

But, you wish the Bank to proceed *gradually* and *gently*. When a man has means that are dropping in *gradually*, he may pay *gradually*; but, this is quite another case. The Bank has *now* all the means that it ever will have, or can have. If the paper be drawn in *gradually*, the approach of the misery and ruin and uproar will be *gradual*: that is all. The want of employment will come on *gradually* and *gently*, but it will *come*. The convulsion will be the *end* of the scene, but there will be a *convulsion*. The notion of the man, who attempted, by slow, and very slow, very gentle, degrees, to teach his horse to live without food, was much about upon a level with this notion of your's. The man succeeded, at last; but just at the moment, the *horse died*. To draw in the paper-money, without reducing the interest of the Borough-Debt and all public pay and salaries, is to ruin all persons in trade and to starve the labouring classes; and, what signifies it whether this ruin and starvation come all at once, or by degrees?

But, besides this argument founded on the nature of the case itself, we have before us one of experience. The Bank did proceed *gradually*; it did proceed *gently*. It began drawing in, in 1814; it kept on, until 1816, about October. This was *gently* enough. The *nonsense* of those years will stand for ever recorded as the tip-toe nonsense of the world. The tradespeople called for cheap corn; the farmers and their greedy landlords for dear corn. The landlords would "*tell the House of it*, that they "*would!*" And away they went to the "*omnipotent house*" to *secure* them a fair price for their corn. The House passed a Corn Bill "*to protect*" the farmer, that useful member of "*society*." And, Corn grew *cheaper* and *cheaper*! I kept telling Mr. COKE and Mr. WESTERN, that they were upon a very wrong scent. I told them, that *the Old Lady was at work*, and that no Corn Bills would protect them against *her* craft. The distresses kept on increasing; and, in 1816, on

came the wise landlords again with long strings of resolutions for the *relief of agriculture*. Nothing could open their eyes. Mr. HUNT told a set of these dolts at Bath, that there only wanted new packages of paper-money to make them all happy. They affected to laugh, talked a little of their nonsense, and parted as wise as they met. These were some of Sir Francis Burdett's "*gentlemen of the Country*."

The true history of all the miseries of 1815, 1816, and 1817, is this: When *peace* came, the shame, the disgrace, the infamy, and, more than all these, the *danger* of not paying in gold, or, at least, not appearing to pay in gold, stared the administering tools of the Borough-tyrants full in the face. An attempt to *appear* to pay could not be made without drawing in a great deal of the paper. These tools were too weak to perceive the full extent of the consequences of even such an attempt. They appear, however, to have been afraid to make it. But, there was I, baiting them weekly with charges of insolvency. Foretelling that they never would pay; foretelling that they would finally be the scorn of all the world; and, in short, galling them in all sorts of ways; not forgetting to remind them, that when their paper-money blew up, we should have *our parliamentary reform*. To work they went, therefore, drawing in their paper, and on came the ruin and misery; slowly, gradually, gently enough; but, still it *came on*. I kept, even-on, as the Yorkshire-men say, telling them that their scheme would not succeed; that they would never be able to pay; *that they must put out the paper again*. They, like fools as they were, *persevered*. We, as we had a right to do, pressed them for *Reform*. We beset them with arguments and prayers. They threw off their mask, and drew their dagger!

But, while we gained the clear advantage of seeing them in their naked, odious, and detestable form, they gained nothing at all. They were, though well set out with dungeons and gibbets, compelled to *bring back the*

paper again; and, to stand before the whole world, as they now do, irretrievable insolvents. The ruin and misery they produced by this vain attempt opened the people's ears to the various causes of their sufferings; they made men listen, who before turned a deaf ear; they were the cause of the spread of knowledge more extensive than any people ever before possessed. In the course of the struggle of the Borough-men to save themselves, their various under-hand dealings, their spies, their mode of prosecuting, the conduct of juries and judges, all become topics of minute discussion; and, in short, this struggle, has done a great deal in preparing the minds of the people for the grand struggle, which is yet to come, and which, I trust, will terminate in a restoration of the rights of the king and the people.

If, Sir, you want *more* proof, than has now been offered, to convince you, that the Bank never can pay, without producing a convulsion in the country, I confess my inability to furnish it; and, therefore, I here close my arguments upon the subject.

But, then, there remains the question, *what is to become of the thing at last?* That is quite another matter; and I am as fully convinced as you appear to be, that the consequences will finally be "*fatal*;" in which conviction I am as happy as you seem to be miserable. You say, in one part of your speech, that you are "perfectly aware, that there are persons in the country, who are alarmed at the prospects of cash-payments. These persons applaud all sorts of horrors; that nobody will get his rents, that the funds will be at zero, and that there will be a general bankruptcy." Oh, Oh! They begin to see this, then, do they! Ah, a! I am glad to find, that they are coming to my opinions at last! Very well, then, the thing is, I suppose, to remain as it is? Is that what they mean? If it be, they are deceived. It will not remain as it is long. The blowing up will come, whether the Bank draw

in its paper, or not. There are means, as I have already shown, of putting the thing down, of abating the nuisance: secure means too, and neither troublesome nor expensive. I firmly believe, that these means will be adopted, in less than a year, though I have no sort of knowledge of any one who entertains, that I know of the intention. But, whether such means be, or be not adopted, the blowing up will come. The Borough-men must go on borrowing, unless they instantly issue such quantities of paper as to make the guinea sell for thirty shillings. This borrowing must regularly add to the quantity of paper. This paper will, in spite of their teeth, come, at last, to an open contest with gold: two prices will shew their faces, and then, good by Bank-men and Boroughmongers! The taxes will be paid in the paper; the law-men and spies and fund-holders and bayonet-men, will be paid in taxes; and the butcher, baker, and brewer, will insist on having real money!

This will be the end, if the thing go on in its present way. Your scheme would, probably, bring the thing to a close sooner; but, be the end when it will, or how it will, the prediction of PAINE will be verified: the Borough-system will last as long as the paper-money-system, and not one moment longer.

Precisely how the thing will terminate, whether it will die gradually down into the bottom of the socket, or go out at once by a puff, is a question that I do not pretend to be able to determine: it is sufficient for me to know, that the total extinguishment will come; and that it will bring with it the destruction of that Borough-tyranny, of which it was the twin monster, and of which it has, from its birth to the present hour, been the principal support.

These monsters are now of a hundred and twenty-four years standing. The aristocracy having driven out James the Second, immediately set themselves to work to engross all the lawful powers of king and people.

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They instantly began the work of plunder, and, having tasted its sweets, they resolved never to give it up. They soon took from the people in one year, more of their property than King James had taken from them during his whole reign; and, in order to perpetuate their sway, they created, at the suggestion of Bishop Burnet, a Debt, which should, for ever, have the effect of binding to them, be their deeds what they might, all the people who had money. In order to fortify themselves still more securely, they first made parliaments *triennial*, which, by the constitution, were *annual*; and, not satisfied with this, they, under favour of a false alarm, made those triennial parliaments *septennial*; while, at the same time, they set about a system of corruption even in the remnant of suffrage that was left, and which system has, at last, become so notorious, that when proof of seat-selling is tendered to them, they refuse to receive it, on the ground, that it is too common to be criminal, and even that it is *necessary*, and *makes a part of the constitution in Church and State!*

The effects of this system have well corresponded with its character and motives. The nation has been plundered without sparing: king and people have alike been stripped of their rights, degraded and insulted without any measure. This tyranny, of which there is no parallel either in being or upon record, by its attempts to subject the people amongst whom I now am, to its plundering grasp, severed this fine country from the British dominions, and thereby created a formidable rival to England in naval power as well as in commerce. Fearing the effects of the rays of freedom, beginning to dart forth from France twenty-six years ago, it arrayed itself against the people of that country; and, by twenty-three years of violence and fraud, it, at last, succeeded in re-establishing despotism in that country and in every part of Europe where freedom had made her appearance. The twin monster, unable to repose in quiet, while there was a free man left

upon the face of the earth, next bent all its force to destroy the government, the freedom and the happiness of America. The agents it employed in this enterprize were well worthy of their employer: fire and sword against the defenceless; treachery and plunder, but, above all things, *plunder*: and, it was now for the first time, that officers of the English navy were seen writing to each other congratulatory letters upon having captured *tables* and *chests of drawers*. The brave yeomanry of America, however, so different from a base and servile Boroughmonger tenantry, drove the spoilers from their shores in disgrace; and thus preserved an asylum for the oppressed of all nations, and especially for those escaping from the fangs of the English minister, amongst whom is to be numbered him, who, in this address to you, is able, in safety, to describe the character and acts of that monster, and who has unspeakable delight in foreseeing and foretelling his doom.

There is, they say, a viper, the poison of which is of so malignant a nature, that the reptile will die, if it bite its own tail. It is a property of evil to destroy, in time, its own cause. The main lever of the Borough-tyrants has been their paper-money. By a series of frauds of unbounded magnitude, these tyrants have been able to bribe, and to set to butcher each other, a very considerable part of mankind. Under the pretext of warring for humanity and freedom and religion, where is the bayonet, where the dagger, where the stiletto, where the prostituted pen, that they have not employed in the cause of blood-shed, slavery, and real blasphemy? The grand instrument of mischief, however, is now turning its powers against themselves. The viper has, during its works of malice and of death, bitten its own tail; and the poison is hastening on to its heart.

War! The monster can make war no more. Its teeth are drawn completely out. The arming for war would send the paper down to five

shillings in the pound; and a war of a year would send the debt up to two thousand millions! Not the people of England alone, but, the people of the whole world, are deeply interested in the fall of these tyrants, who employ the resources of matchless industry, skill, perseverance and valour, favoured by the most happy local circumstances that Providence itself could combine; who employ all these, not to better the lot of mankind, not to assist feeble innocence against powerful guilt, not to enlighten the ignorant or to free the enslaved, not to promote peace and friendship amongst nations; but, to erect obstacles to harmonious intercourse, to create suspicions and feuds, to shut out light from the human mind, to back tyranny wherever to be found, and, in all parts of the world, to make human affairs uncertain and human life a burden. Towards friends, allies, colonies, they have been firm or false, kind or cruel, alternately, at the calls of their own safety or interest. Towards enemies they have, from the same motives, been creeping or insolent, but always perfidious. This has been the great, unvarying characteristic of their policy and their actions. Those who spoke of us, formerly, might say that we were rude, proud, and arrogant; but, they could not say, that we were hypocritical, treacherous, or unfeeling. The English nation, famed for its open, manly dealing, for its plain, blunt sincerity, and for its kindness and humanity, these tyrants have placed at the tip-top of the list of the crafty, the perfidious and the cruel, where it stands written in the blood of NEY and of thousands upon thousands of the victims of their relentless rapacity.

And, is this character *always* to belong to our nation! Is the name of England to have *for ever* this infamous pre-eminence! Sir, I am, at this

moment, sitting beneath the deep shade of a walnut tree, the thermometer at ninety eight degrees, nearly naked and sweat pouring down my breast; yet, the thought of heat ten million times as great as this, to be endured for ages, would not be to my mind half so horrible, as the thought of impunity to these base and savage tyrants. No: a day of *justice* is to come; a day of justice will come; and, the very act which you oppose, and with regard to which I have troubled you with my remarks, ought to satisfy the minds of the people, that that day is near at hand.

From your task, Sir, you retired amidst the *cheers* of the Borough-mongers; I shall be sufficiently gratified, if the Blanketteers will attentively read what I have written; and if they will constantly bear in mind, that EMPSON and DUDLEY were *legally and justly hanged*, though they truly pleaded *Acts of Indemnity*.

I am, Sir,

Your most obedient

And most humble servant,

WM. COBBETT.

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Entered at Stationers' Hall.

Printed by W. MOLINEUX, 5, Bream's Buildings, Chancery Lane, for W. JACKSON, 31, Wardour Street, Soho.